

Message Text

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ACTION COME-00

INFO OCT-01 EA-07 ISO-00 AGRE-00 EB-07 STR-04 /019 W

-----108864 281029Z /14

R 281000Z JUN 77

FM AMEMBASSY TAIPEI

TO SECSTATE WASHDC 4060

INFO AMEMBASSY BANGKOK

AMEMBASSY MANILA

AMEMBASSY SEOUL

AMEMBASSY TOKYO

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DEPT PASS DAVIS USDA/FAS/IMD/COT

E.O. 11652: N/A

TAGS: ETRD, EAGR, TW

SUBJECT: POTENTIAL COTTON CONTRACT PROBLEM

1. A VERY RELIABLE TRADE SOURCE INDICATES THAT TAIWAN TEXTILE MILLS HAVE CONTRACTED ABOUT 300,000 BALES OF NE CROP COTTON FOR DELIVERY BEGINNING IN OCTOBER AT PRICES 5 TO 15 CENTS ABOVE THE CURRENT MARKET. MOST CONTRACTS ARE FOR SHORTER STAPLES WHERE FURTHER PRICE WEAKENING IS ANTICIPATED. SOURCE ESTIMATES THAT 60 TO 70 PERCENT OF THESE CONTRACTS WILL BE IN DEFAULT IF THERE IS NOT A SUBSTANTIAL INCREASE IN THE PRICE OF COTTON OR TEXTILE FABRICS, NEITHER OF WHICH IS ANTICIPATED.

2. THE ABOVE IS FOR YOUR INFORMATION ONLY. THE EMBASSY DOES NOT HAVE ANY REMEDIES TO SUGGEST FOR RESOLVING THIS ANTICIPATED PROBLEM. IT IS HOPED THAT THE PROCEDURES ADOPTED BY THE U.S. COTTON SELLERS TO PROTECT THE SANCTITY OF CONTRACTS FOLLOWING THE RECENT COTTON CONTRACT DEFAULTS IN TAIWAN WILL BE ADEQUATE TO DEAL

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WITH THE ANTICIPATED PROBLEM LATER THIS YEAR AND THAT THE U.S. GOVERNMENT WILL NOT BE CALLED UPON TO GO THROUGH THE SAME EXERCISES AS BEFORE TO RESOLVE THE PROBLEM. GIVEN THE APPARENT TENDENCY OF THIS PROBLEM TO RECUR, IS THERE NOT SOME ESTABLISHED PROCEDURE OR CUSTOMARY LANGUAGE IN CONTRACTS WHICH HAS BEEN DEVELOPED OVER THE YEARS AND WHICH COULD BE EMPLOYED IN THESE CASES?

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COTTON, CONTRACTS
Control Number: n/a
Copy: SINGLE
Sent Date: 28-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TAIPEI03829
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Executive Order: N/A
Errors: N/A
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Format: TEL
From: TAIPEI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977069/aaaaaifm.tel
Line Count: 63
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f98c4685-c288-dd11-92da-001cc4696bcc
Office: ACTION COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
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Review Content Flags:
Review Date: 03-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2275516
Secure: OPEN
Status: NATIVE
Subject: POTENTIAL COTTON CONTRACT PROBLEM
TAGS: ETRD, EAGR, TW
To: STATE
Type: TE
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